

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
WESTERN DIVISION**

In re:)	Chapter 11 Proceeding
)	
COMMERCIAL MORTGAGE & FINANCE CO.)	Case No. 08-73242
)	
Reorganized Debtor.)	Hon. Manuel Barbosa
)	
)	Hearing Date: September 16, 2009
)	Hearing Time: 10:30 a.m.

**NOTICE OF MOTION AND HEARING ON ACCOUNTANT'S SECOND
AND FINAL APPLICATION FOR ALLOWANCE AND
PAYMENT OF COMPENSATION AND REIMBURSEMENT OF EXPENSES**

To: All Creditors and Parties in Interest

PLEASE TAKE NOTICE THAT on October 8, 2008, Commercial Mortgage & Finance Co. (the "Debtor") filed for Chapter 11 bankruptcy relief under title 11 of the Bankruptcy Code. On December 17, 2008, an Order was entered Authorizing the Employment and Retention of Janet DiGuseppi, John C Letourneau and the accounting firm of Letourneau & Cleland, Ltd. ("Letourneau & Cleland") as the accountants for the Debtor effective as of October 8, 2008 (Docket #137).

PLEASE TAKE FURTHER NOTICE that on August 27, 2009 Letourneau & Cleland, filed the Second and Final Application of Letourneau & Cleland, Ltd., Accountants for the Debtor, for Compensation (the "Application") requesting compensation sought as actual, reasonable and necessary in the amount of \$30,631.25 for the period between April 16, 2009, 2008 and August 14, 2009.

PLEASE TAKE FURTHER NOTICE that the hearing on the Application is scheduled for September 16, 2009 at 10:30 a.m. in Courtroom 115, 211 South Court Street, Rockford, Illinois before the Honorable Manuel Barbosa, or any judge sitting in his stead.

Date: August 16. 2009

Respectfully submitted,

COMMERCIAL MORTGAGE & FINANCE CO.

By: /s/ Gregory J. Jordan
One of Its Attorneys

CERTIFICATE OF SERVICE

I, Gregory J. Jordan, certify that I served the Notice of Motion and Hearing on Notice of Motion and Hearing on Accountant's Second and Final Application for Allowance and Payment of Compensation and Reimbursement of Expenses and the Second and Final Application of Letourneau & Cleland, Ltd., Accountants for the Debtor, for Compensation on the persons listed on the Service List via United States mail postage prepaid by placing the same for delivery with the claims agent appointed in this case and by ECF filing and electronic transmittal as indicated, on August 27, 2009.

/s/ Gregory J. Jordan

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**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
WESTERN DIVISION**

In re:)	Chapter 11 Proceeding
)	
COMMERCIAL MORTGAGE & FINANCE CO.)	Case No. 08-73242
)	
Debtor.)	Hon. Manuel Barbosa
)	
)	Hearing Date: May 13, 2009
)	Hearing Time: 10:30 a.m.
)	

**SECOND AND FINAL APPLICATION OF LETOURNEAU & CLELAND, LTD.,
ACCOUNTANTS FOR THE DEBTOR, FOR COMPENSATION**

Accountants for the Debtor, Janet DiGuisseppi, John C Letourneau and the accounting firm of Letourneau & Cleland, Ltd. ("Letourneau & Cleland"), file their Second and Final Application for Compensation (the "Application") pursuant to §§ 328, 330 and 503(b)(1) of the United States Bankruptcy Code (11 U.S.C. §101 et.seq., hereinafter the "Bankruptcy Code"¹), Rule 2016 of the Federal Rules of Bankruptcy Procedure (hereinafter the "Bankruptcy Rules"), and Rule 5082-1 of the Local Bankruptcy Rules for the United States Bankruptcy Court for the Northern District of Illinois for allowance and payment of (i) compensation in the amount of \$30,631.25 representing 211.25 hours of reasonable and necessary accounting services that Letourneau & Cleland has rendered for the period between April 16, 2009 and August 14, 2009 (the "Application Period") to the Debtor ("Fees"); and (ii) immediate payment of allowed fees and expenses from the Debtor's accounts.

In support of the Application, Letourneau & Cleland states:

¹ All references in this Application to any "§" shall be a reference to that section of the Bankruptcy Code

BACKGROUND

1. On October 8, 2008 (the “Petition Date”), the Debtor filed with this Court its Voluntary Petition for relief under the Bankruptcy Code.
2. The Debtor is a corporation, organized and existing under the laws of the state of Illinois and headquartered in Rockford, Illinois. The Debtor has been in operation since 1929 and has been an integral part of the Rockford business community since that time. It sells participations in mortgages to local individuals. The money thus generated is used to fund loans, and the Debtor would share the interest generated with its customers. The Debtor also offered “Negotiable Promissory Notes” to Illinois residents, which are neither guaranteed nor is the issuance thereof regulated by any state or federal agency, providing purchasers with interest rates generally higher than interest earned by money market certificates. The Debtor also develops land into residential subdivisions.
3. The nation’s ongoing financial challenges precipitated the filing of this case. During the period immediately prior to the bankruptcy filing, a substantial number of the holders of promissory notes closed their notes early causing a serious drain on available cash. On October 6, 2008, one of the holders of the Debtor’s Negotiable Promissory Notes obtained a temporary restraining order blocking the Debtor’s ability to conduct business. Due to the closing of accounts, the temporary restraining order and general financial difficulties, the Debtor determined that it would be unable to fund operations and financial obligations without resort to the protections provided in this Court.
4. The Debtor filed its chapter 11 case, so it could implement its business plan and control the restructuring of its business operations through a plan of liquidation.

5. The Debtor is in the process of liquidating its assets pursuant to the plan of liquidation approved by this Court.

SELECTION OF ACCOUNTANTS

6. The Debtor employed Letourneau & Cleland as its accountants prior to the filing of this bankruptcy case. The Debtor requested that Letourneau & Cleland continue as its accountants during the pendency of this case and retained Letourneau & Cleland generally and Janet DiGuisseppi and John C Letourneau specifically for that purpose.
7. By an order entered on the docket on December 17, 2008, the Bankruptcy Court authorized Letourneau & Cleland's retention effective as of October 8, 2008 (Docket #137), pursuant to §§327 and 1103.
8. This is Letourneau & Cleland's Second and Final Application for the payment of its fees and Letourneau & Cleland submits this Application pursuant to the Federal Rules of Bankruptcy Procedure and all applicable local rules.
9. Attached hereto as **Exhibit A** is a schedule summarizing the number of hours worked and the total dollars billed for services during the Application Period. The fees sought for the Application Period are included as part of this Application and in the summary. The detailed records with respect to such fees are attached hereto as **Group Exhibit B**. For this Application Period, Letourneau & Cleland has incurred a total of \$30,631.25 for accounting services. Letourneau & Cleland do not seek the reimbursement of any expenses incurred on behalf of the Debtor.

PROFESSIONAL SERVICES RENDERED

10. Letourneau & Cleland has assisted the Debtor in the performance of its duties pursuant to §§1107 and 1108 including advising the Debtor regarding accounting matters including

general administrative matters, preparation of its schedules, preparation of required operating reports submitted to the Office of the United States Trustee, services related to the preparation of a plan of liquidation and service concerning the sale of the debtor's assets, consulting with the Debtor, the Debtor's counsel, counsel for the Official Committee of Unsecured Creditors, creditors and other parties in interest and generally serving the Debtor and its interests in this chapter 11 case.

11. During the Application Period, Letourneau & Cleland billed a total of 211.25 hours.
12. To assist the Court, creditors and other parties in interest to evaluate this fee application and determine the reasonableness of the requested compensation, Letourneau & Cleland assigned a matter number for each of the five categories of services. Exhibit A attached hereto describes each activity or service performed; and states the number of hours (in increments of one-tenth of an hour) spent providing the services.

SERVICES RENDERED BY MATTER CATEGORIES

13. The professional services that Letourneau & Cleland rendered are grouped into titled categories of the subject matters described below.

a. Category 1 - Case Administration

Time spent in this category relates to the administrative tasks related to general accounting issues general accounting matters. Janet DiGuseppi performed all services at an hourly billing rate of \$145.

Professional/Position	Hours	Rate	Fee
Janet DiGuseppi/Manager	136.75	\$145.00	\$19,828.75

b. Category 2 - Services Related to Subsidiaries

Letourneau & Cleland worked with the Debtor's representatives with regard to the dissolution of the Debtor's subsidiary. Janet DiGuseppi performed all services at an hourly billing rate of \$145.00.

Professional/Position	Hours	Rate	Fee
Janet DiGuseppi/Manager	0.50	\$145.00	\$72.50

c. Category 3 – Services Related to Operating Reports

Letourneau & Cleland spent time working with the Debtor, the Debtor's counsel and the Debtor's internal accounting staff regarding the preparation of operating reports and related information to allow the Debtor to meet its obligations in this Chapter 11 case including gathering information and assuring that the information presented to the Court was accurate. Janet DiGuseppi performed all services at an hourly billing rate of \$145.

Professional/Position	Hours	Rate	Fee
Janet DiGuseppi/Manager	8.00	\$145.00	\$1,160.00

d. Category 4 – Services Related to Plan

Letourneau & Cleland services in this category concern advising the Debtor and its counsel on accounting and tax issues related to the drafting of the disclosure statement and plan and working with the Debtor's representatives, the Debtor's Counsel and the Committee and counsel to maximize the return to creditors. Janet DiGuseppi performed all services at an hourly billing rate of \$145.

Professional/Position	Hours	Rate	Fee
Janet DiGuseppi/Manager	64.65	\$145.00	\$9,374.25

a. Category 6 – Sale of Assets

Letourneau & Cleland spent time working with the Debtor, the Committee's counsel and other parties with regard to the sale of the Debtor's assets including gathering information and assuring that the information presented to the Court was accurate. Janet DiGuseppi performed all services at an hourly billing rate of \$145.

Professional/Position	Hours	Rate	Fee
Janet DiGuseppi/Manager	1.35	\$145.00	\$195.75

STANDARDS FOR APPROVAL OF APPLICATION

14. §330(a) sets forth the applicable standards for compensation of retained professionals.
15. The rates charged by Letourneau & Cleland in this Application are the usual and customary hourly rates charged by Letourneau & Cleland to other clients. These rates are comparable with, or lower than, the rates generally charged by other Rockford accounting firms that provide similar services in connection with representation of Debtors. The amounts requested are fair and reasonable given (a) the complexity of this case; (b) the time expended; (c) the nature and extent of the services rendered; (d) the value of such services; and (e) the costs of comparable services other than in a case under the Bankruptcy Code.
16. Without the efforts of Letourneau & Cleland, any recovery for unsecured creditors would be extremely unlikely.
17. The Debtor submits that an award of compensation to Letourneau & Cleland, as requested, is appropriate in the circumstances of this case.

18. Each of the professionals in this case is affiliated with Letourneau & Cleland for this and other matters. No agreement exists between Letourneau & Cleland and any third party for the sharing of compensation received by Letourneau & Cleland in connection with this case, except as allowed by United States §504 of the Bankruptcy Code and Rule 2016 of the federal Rules of Bankruptcy Procedure with respect to the sharing of compensation among the partners, managers and employees of Letourneau & Cleland.
19. This is Letourneau & Cleland's Second and Final Fee Application in this case. Previous compensation has not been sought.

NOTICE

20. Pursuant to Rule 2002(a)(6) of the Bankruptcy Rules, Letourneau & Cleland has provided notice of this Application and the hearing on the Application along with a copy of this Second and Final Fee Application to the twenty largest creditors, counsel for the Office of the United States Trustee, counsel for the Committee and on all counsel appearing or requesting notice of the filing of pleading in this case. Given the nature of the relief sought, the Debtor believes that such notice is appropriate in these circumstances.

NO PRIOR RELIEF

21. No prior application for the relief requested herein has been made to this or any other court.

WHEREFORE, Commercial Mortgage & Finance Co. respectfully requests that the Court enter an order:

- a. granting Janet DiGuseppi, John C Letourneau and the accounting firm of Letourneau & Cleland, Ltd. ("Letourneau & Cleland") an allowance of final

compensation for professional fees in the amount of \$30,631.25 incurred during this Application Period;

- b. entry of an order authorizing and directing payment of the allowed fees and costs by the Reorganized Debtor; and
- c. granting such other and further relief as may be just.

Date: August 27, 2009

Respectfully submitted,

COMMERCIAL MORTGAGE & FINANCE CO.

By: /s/ Gregory J. Jordan
One of Its Attorneys

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